From: Mark Hurty
To: Microsoft ATR
Date: 11/21/01 5:05am
Subject: Remedy for Microsoft Monopoly

I venture that remedy, not punishment is the key to a great outcome of
the Microsoft anti-trust case. Punishing a bully only serves to inflame
and enrage the bully -- guaranteeing that the bully will renew his
efforts to assert his dominance through, well, bullying.

There is a remedy -- elegant in its simplicity, meaningful in its
effect -- and it would test whether Microsoft's ongoing claim that its
aggressive business tactics are merely reflections of their desire to
innovate for the benefit of their customer, is genuine. Let's start with
a little comparison to another technological industry,
telecommunications.
There are hundreds of different telephones on the market today, offering
an array of clever technological features. Your phone can announce who
is calling, take messages when you are away, and provide you with a tool
to control the lighting in your home, or perform a host of other little
tricks. And even if I have a high-tech, feature laden phone made last
year by Panasonic, it's no problem for me if you have a plain vanilla
phone made in 1920 -- we can still talk to each other. We can
communicate with each other without the slightest hitch, because once
phones are plugged into the network, they speak a single, common
language. All the glorious features of the handset, or the wonderful
advantages of call waiting and caller ID or other phone company
technologies which we've come to take for granted do nothing to change
the information carried on those thin copper wires from my house to
yours. Perhaps call is translated into a digital signal somewhere along
it's route, then reconstituted as an analog message just before arriving
at its destination. I don't need to worry about that, nor does the
person at the other end of the line. We can trust that no matter what
kind of phone we use, we can communicate. And with the breakup of AT&T,
and increased competition between telephone carriers, it has remained
relatively inexpensive to own and use a phone.

Now in the software industry, there is a different paradigm, and one
that Microsoft has exploited to its advantage for years. Let's say you
buy into the Microsoft value system, and purchase a computer that uses
one of the various flavors of Windows. And suppose you purchase a copy
of Microsoft Office with its suite of applications. Now you can
communicate flawlessly and readily with anyone else who has bought into
Microsoft. You can write a document in Microsoft Word and send it to
your Microsoft buddies and they will have little problem opening that
document and viewing on their computer. Let's say, however, that you
have some friends who use Linux, or MacOS, or some other operating
system. And let's say they didn't buy a copy of Microsoft Office. Now
when you send that same file to them, there is a problem -- how do they

read what you've written? There is a cottage industry, providing solutions for translating files between operating systems and word processing programs, but the real burden, both in terms of cost and effort, falls on the shoulders of the person who receives the document.

If that's how the phone system worked, it would fail miserably. If I needed a phone just like yours so I could talk to you, I would of course be compelled to either have a bunch of phones -- one for everyone I needed to talk with -- or I could buy a phone from a dominant monopolist who controlled the largest share of the market. Microsoft's goal appears to be to dominate the software/computing/communication/entertainment industries, compelling all of us to buy something from them just to be able to take part in community life. Their argument that their products are dominant because they are more innovative or easier to use or simply better than the competition's products is hollow. Their products are dominant because Microsoft has cleverly eliminated the competition.

Under the existing paradigm, Microsoft has an easy time squashing competition. Because they can use their control of the operating system to make it just a little easier to use their programs, and just difficult enough to use competitive programs, corporations will do the dirty work of building Microsoft's monopoly for them. Information Technology departments insist on a single, standard suite of programs for corporate use because it makes it easier for them to do their work. Most often they chose Microsoft, because Microsoft controls the whole computing/networking/information environment -- everything is just a little easier to use. And each new corporate installation takes Microsoft a step closer to killing all its competitors, once and for all. And since mom or dad uses Microsoft Windows and Office at work, the home computer needs to have -- big surprise -- Microsoft Windows and Office. The franchise just keeps growing and competition keeps disappearing.

So to the remedy. If Microsoft were compelled to give out a complete specification for all the document formats for all their programs, and agree to maintain an open, standard version of that specification so that every software company that wanted to could write a program that would open, edit and write documents in the same format, there would be a meaningful and real opportunity for competition in the software industry. If every program created documents with an identical structure, it would be just like the telephone. I could choose software that made it easier to compose a letter, or software with a more intuitive interface. I could buy a plain vanilla program that just allowed me to type words on a page, and you could open it with your high-end, Microsoft word processor, with all its bells and whistles. Of course there might be a need for more than one file format. Spreadsheets, databases, presentation programs, etc. would need different specifications -- but they could still be standardized. Layout programs with fancy designs already have a well established, open

specification in the Portable Document Format (PDF) created by Adobe. (Although, even that format could stand a bit more "openness," too.)

What would be the ramifications of such a remedy? For starters, Microsoft would be forced to live up to it's public relations campaign that it merely does what it does out of it's desire to innovate for customer benefit. No longer could the gang in Redmond compel whole corporations to buy thousands of licenses for it's programs (so that the corporate IT Manager can be assured that everyone in the company can communicate with each other). Innovation and quality interface design would become the currency of the software industry. Competition will thrive, and consumers will benefit through lower prices for software, and greater ease of communication.

I appreciate your consideration.

Mark

--
Mark Hurty
mark@hurty.com | 650.328.1399
http://www.hurty.com/ideas.shtml